

**Southern Clinton County  
Municipal Utilities Authority  
DeWitt, Michigan**

**FINANCIAL STATEMENTS**

**December 31, 2003**

Southern Clinton County Municipal Utilities Authority

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INDEPENDENT AUDITOR'S REPORT

To the Board of the  
Southern Clinton County  
Municipal Utilities Authority  
DeWitt, Michigan

We have audited the accompanying general purpose financial statements of the Southern Clinton County Municipal Utilities Authority as of and for the years ended December 31, 2003 and 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Southern Clinton County Municipal Utilities Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Southern Clinton County Municipal Utilities Authority as of December 31, 2003 and 2001, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Supplementary Information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Southern Clinton County Municipal Utilities Authority. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Abraham & Gaffney, P.C.*

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Certified Public Accountants

March 3, 2004

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## **GENERAL PURPOSE FINANCIAL STATEMENTS**

Southern Clinton County Municipal Utilities Authority

BALANCE SHEET

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 742,353	\$ 458,206
Accounts receivable	<u>19,434</u>	<u>22,612</u>
Total current assets	761,787	480,818
Other assets		
Investments	3,610,395	3,384,609
Fixed assets		
Machinery and equipment	2,626,121	2,410,379
Accumulated depreciation	<u>(1,320,049)</u>	<u>(1,179,319)</u>
Total fixed assets	<u>1,306,072</u>	<u>1,231,060</u>
TOTAL ASSETS	<u><u>\$ 5,678,254</u></u>	<u><u>\$5,096,487</u></u>
LIABILITIES AND RETAINED EARNINGS		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 112,427	\$ 85,859
Other accrued liabilities	<u>1,025</u>	<u>220</u>
Total current liabilities	113,452	86,079
Other liabilities		
Accrued vacation and sick pay	<u>59,892</u>	<u>59,892</u>
TOTAL LIABILITIES	173,344	145,971
RETAINED EARNINGS		
Reserved	4,907,685	4,758,732
Unreserved	<u>597,225</u>	<u>191,784</u>
TOTAL RETAINED EARNINGS	<u>5,504,910</u>	<u>4,950,516</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u><u>\$ 5,678,254</u></u>	<u><u>\$5,096,487</u></u>

See accompanying notes to general purpose financial statements.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
REVENUES		
Charges for services	\$ 3,284,618	\$2,491,006
Interest and rents	82,872	246,223
Other	<u>54,518</u>	<u>17,200</u>
TOTAL REVENUES	3,422,008	2,754,429
EXPENSES		
Salaries	682,864	633,548
Benefits	221,564	187,908
Motor vehicle and mileage	13,936	18,737
Utilities	236,436	232,043
Insurance	80,328	52,953
Repairs and maintenance	202,200	207,710
Education and training	12,658	13,989
Professional services	44,002	77,703
Supplies	62,092	63,099
Solids handling	63,160	51,644
Capital improvements	998,990	58,782
Miscellaneous	49,689	14,000
Equipment depreciation	228,709	210,189
Equipment disposals and transfers	<u>-</u>	<u>1,325</u>
TOTAL EXPENSES	<u>2,896,628</u>	<u>1,823,630</u>
NET INCOME	525,380	930,799
Retained earnings, beginning of year	4,950,516	4,019,717
Prior period adjustments	<u>29,014</u>	<u>-</u>
Retained earnings, end of year	<u><u>\$ 5,504,910</u></u>	<u><u>\$4,950,516</u></u>

See accompanying notes to general purpose financial statements.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF CASH FLOWS

Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 525,380	\$ 930,799
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	228,709	210,189
Equipment disposals and transfers	-	1,325
(Increase) decrease in accounts receivable	3,178	(722)
Increase (decrease) in accounts payable	27,092	(21,449)
Increase (decrease) in accrued liabilities	<u>805</u>	<u>(1)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	785,164	1,120,141
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(275,231)	(352,246)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,882,961)	(805,689)
Maturities of investments	<u>1,657,175</u>	<u>300,000</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(225,786)</u>	<u>(505,689)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING YEAR	284,147	262,206
Cash and cash equivalents, beginning of year	<u>458,206</u>	<u>196,000</u>
Cash and cash equivalents, end of year	<u><u>\$ 742,353</u></u>	<u><u>\$ 458,206</u></u>

See accompanying notes to general purpose financial statements.

Southern Clinton County Municipal Utilities Authority  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2003

**NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Southern Clinton County Municipal Utilities Authority (SCCMUA) was created under Public Act 233 of 1955, as amended, by contractual agreement between DeWitt Charter Township, Bath Charter Township, the City of DeWitt, and Watertown Charter Township. The SCCMUA Board is made up of five (5) members appointed by DeWitt Charter Township, two (2) members appointed by Watertown Charter Township, two (2) members appointed by Bath Charter Township, and one (1) member appointed by the City of DeWitt. The purpose of the SCCMUA is to operate, maintain, administer, and manage the sewage disposal system for the benefit of the constituent municipalities.

The allocation of costs of the SCCMUA related to the constituent municipalities is either directly charged based on direct benefit or is based on ownership percentages and/or usage of the system as measured by billable flow. The following details the ownership percentages and billable flow percentages that were utilized for the year ended December 31, 2003.

	<u>Ownership</u>	<u>Billable Flow</u>
DeWitt Charter Township	55.7576 %	64.75 %
Bath Charter Township	12.7273	21.50
City of DeWitt	11.3131	12.34
Watertown Charter Township	20.2020	1.41

1. Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the Southern Clinton County Municipal Utilities Authority. The SCCMUA is considered a "joint venture" of the constituent municipalities.

2. Basis of Presentation

The operations of the SCCMUA are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The SCCMUA's resources are allocated to and accounted for in the individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund in the financial statements in this report is described as follows:

PROPRIETARY FUND

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

3. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the Balance Sheet. Fund equity (i.e., net total assets) is segregated into reserved and unreserved retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.



Southern Clinton County Municipal Utilities Authority  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2003

**NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**- CONTINUED**

4. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Proprietary Fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred.

5. Budgets and Budgetary Accounting

The annual budget of the SCCMUA is prepared by SCCMUA management and approved by the SCCMUA Budget and Finance Committee. The proposed budget and allocation of costs are submitted to the municipalities in August prior to the beginning of each fiscal year. The municipalities advise SCCMUA of any objections to the proposed budget and allocation and then each municipality Board approves the budget. The SCCMUA Board then adopts the approved budgets in November prior to the beginning of each fiscal year.

6. Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of the SCCMUA checking account.

Investments consist of certificates of deposit, U.S. Government securities, and pooled investment funds. The U.S. Government securities and pooled investment funds are stated at market value. The certificates of deposit are stated at cost, which approximates market value.

7. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with the activity are included on the balance sheet. The reported fund equity (net total assets) is segregated into reserved and unreserved retained earnings components.

Fixed assets are recorded at cost, or if donated, at fair market value at the date of donation. Expenditures that materially extend the useful life of existing assets are capitalized. Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives are:

Machinery and equipment	3-50 years
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The costs related to original construction of the plant are recorded by each constituent municipality in their financial statements. Any capital improvements that have been made to the plant by the SCCMUA have not been recorded as a fixed asset in SCCMUA's financial statements, as it was determined to not have materially extended the usual life of the plant.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2003

**NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**- CONTINUED**

8. Accrued Vacation and Sick Leave

The SCCMUA employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for certain portions of unused accumulated vacation and sick time. This amount has been recorded as a long-term liability in the Proprietary Fund.

9. Comparative Data

Comparative data for the prior year has been presented in some of the accompanying financial statements in order to provide an understanding of changes in the fund's financial position and operations of each fund.

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

In accordance with Michigan Compiled Laws, the SCCMUA is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States Banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Corporation or Government National Mortgage Association.

Southern Clinton County Municipal Utilities Authority  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
December 31, 2003

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED**

Deposits

The SCCMUA's deposits at December 31, 2003, are composed of the following:

<u>Account Type</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking accounts	\$ 742,153	\$ 746,498
Certificates of deposit	<u>203,745</u>	<u>203,745</u>
	<u>\$ 945,898</u>	<u>\$ 950,243</u>

The cash and cash equivalents caption on the balance sheet include \$200 in petty cash. Deposits of the SCCMUA are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the SCCMUA. As of December 31, 2003, the SCCMUA accounts were insured by the FDIC for \$300,000, and the amount of \$650,243 was uninsured and uncollateralized.

Investments

As of December 31, 2003, the carrying amount (which is market value) for each investment are as follows:

<u>Investment Type</u>	<u>Carrying Amount/ Market Value</u>
Insured or registered for which the securities are held by the SCCMUA's agent in the SCCMUA's name U.S. Treasury securities	\$ 3,157,596
Uncategorized pooled investment funds	<u>249,054</u>
	<u>\$ 3,406,650</u>

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the balance sheet, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of December 31, 2003:

Cash and cash equivalents	\$ 742,353
Investments	<u>3,610,395</u>
	<u>\$ 4,352,748</u>

**NOTE C: FIXED ASSETS**

A summary of Proprietary Fund fixed assets at December 31, 2003, follows:

Machinery and equipment	\$ 2,626,121
Less: accumulated depreciation	<u>( 1,320,049 )</u>
Net fixed assets	<u>\$ 1,306,072</u>

Southern Clinton County Municipal Utilities Authority

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2003

**NOTE D: RETIREMENT PLAN**

Plan Description

The Authority participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit pension plan that covers all eligible full-time employees of the Authority. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the Authority Board and by negotiation with the Authority's collective bargaining units. The plan requires a 3% contribution of the first \$4,200 of annual compensation and 5% of portions over \$4,200 from the employees. The Authority is required to contribute remaining amounts necessary to fund the plan.

Annual Pension Cost

For year ended December 31, 2003, the Authority's annual pension cost of \$-0- for the plan was equal to the Authority's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2001, using the entry actual age cost method. Significant actuarial assumptions used include (a) a 8.00 percent investment rate of return (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation (c) additional salary increases ranging from 0% to 4.2% per year depending on age, seniority and merit, and (d) assumption benefits will increase 2.5% per year (annually) for persons under Benefit E-1 or E-2 after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four (4) year period.

Three (3) year trend information

	Year Ended December 31,		
	<u>2000</u>	<u>2001</u>	<u>2002</u>
Actuarial value of assets	\$ 1,252,824	\$ 1,354,763	\$ 1,422,401
Actuarial accrued liability (AAL)	1,038,946	1,097,362	1,292,495
Unfunded AAL	( 213,878 )	( 257,401 )	( 129,906 )
Funded ratio	121 %	123 %	110 %
Covered payroll	522,743	557,723	604,682
UAAL as a percentage of covered payroll	( 41 )%	( 46 )%	( 21 )%

  

	Year Ended December 31,		
	<u>2001</u>	<u>2002</u>	<u>2003</u>
Annual pension cost	\$ 0	\$ 0	\$ 0
Percentage of APC contributed	100 %	100 %	100 %
Net pension obligation	-	-	-

**NOTE E: RISK MANAGEMENT**

The SCCMUA carries commercial insurance for the risk of loss due to workers' compensation claims.

The SCCMUA also participates in a State pool, the Michigan Municipal Risk Management Authority with other municipalities for property, liability, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The SCCMUA has no liability for additional assessments based on the claims filed against the pool nor do they have any right to dividends.

Southern Clinton County Municipal Utilities Authority

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2003

**NOTE F: SEGMENT INFORMATION**

Segment information for the year ended December 31, 2003, is as follows:

Revenues	\$ 3,422,008
Expenses	
Depreciation	228,709
Other	2,667,919
Revenues over expenses	525,380
Net increase in property and equipment	215,742
Net working capital	648,335
Total assets	5,678,254
Long-term liabilities	
Accrued sick and vacation pay	59,892
Total retained earnings	5,504,910

**NOTE G: RETAINED EARNINGS**

Retained earnings have been segregated into reserved and unreserved components. The reserved portions of retained earnings represents the balances that have been set aside by the SCCMUA's Board for specific purposes based upon agreements with the constituent municipalities developed through the annual budgeting process. Unreserved retained earnings represent the remaining amounts that are available for general operating purposes for the specific functions. The reserved and unreserved retained earnings amounts are further segregated by constituent municipality based on operational allocation methodologies (i.e. direct ownership and/or billable flow percentages).

The following provides a detail of the reserved retaining earnings balances as of December 31, 2003:

	<u>DeWitt Charter Township</u>	<u>Bath Charter Township</u>	<u>City of DeWitt</u>	<u>Watertown Charter Township</u>	<u>Total</u>
Digester	\$ 439,528	\$ 218,074	\$ 258,969	\$ 78,520	\$ 995,091
Plant equipment	79,631	18,176	16,157	28,852	142,816
Process equipment	1,351,176	448,653	257,506	29,423	2,086,758
Benefits	18,023	4,114	3,657	6,530	32,324
New vehicle	21,184	4,836	4,298	7,675	37,993
Sewer system	77,162	101,220	11,210	47,648	237,240
Fixed assets	672,016	369,527	139,153	125,376	1,306,072
Heavy vehicle and equipment	<u>38,165</u>	<u>29,144</u>	<u>694</u>	<u>1,388</u>	<u>69,391</u>
	<u>\$ 2,696,885</u>	<u>\$ 1,193,744</u>	<u>\$ 691,644</u>	<u>\$ 325,412</u>	<u>\$ 4,907,685</u>

The following provides a detail of the unreserved retained earnings balances as of December 31, 2003:

	<u>DeWitt Charter Township</u>	<u>Bath Charter Township</u>	<u>City of DeWitt</u>	<u>Watertown Charter Township</u>	<u>Total</u>
Sewer system	\$ 305,616	\$ 92,552	\$ 68,348	\$ 61,550	\$ 528,066
Industrial pretreatment program	<u>44,781</u>	<u>14,869</u>	<u>8,534</u>	<u>975</u>	<u>69,159</u>
	<u>\$ 350,397</u>	<u>\$ 107,421</u>	<u>\$ 76,882</u>	<u>\$ 62,525</u>	<u>\$ 597,225</u>

Southern Clinton County Municipal Utilities Authority

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2003

**NOTE G: RETAINED EARNINGS - CONTINUED**

The following provides a summary of the reserved and unreserved retaining earnings amounts by constituent municipality:

	<u>DeWitt Charter Township</u>	<u>Bath Charter Township</u>	<u>City of DeWitt</u>	<u>Watertown Charter Township</u>	<u>Total</u>
Reserved	\$ 2,696,885	\$ 1,193,744	\$ 691,644	\$ 325,412	\$ 4,907,685
Unreserved	<u>350,397</u>	<u>107,421</u>	<u>76,882</u>	<u>62,525</u>	<u>597,225</u>
	<u>\$ 3,047,282</u>	<u>\$ 1,301,165</u>	<u>\$ 768,526</u>	<u>\$ 387,937</u>	<u>\$ 5,504,910</u>

**NOTE H: PRIOR PERIOD ADJUSTMENTS**

The following prior period adjustments were made during the current period which were the result of corrections of accounting errors. These adjustments were reported as changes to beginning fund equity. The effect on operations and other affected balances for the current year and prior period are as follows:

	<u>December 31, 2003</u>	<u>2002</u>	<u>Description</u>
Machinery and equipment	\$ -	\$ 29,990	Correct understatement of machinery and equipment
Revenue over/under expenses	-	29,990	
Retained earnings - beginning	29,990	-	
Accumulated depreciation	-	1,500	Correct understatement of accumulated depreciation
Revenue over/under expenses	-	( 1,500 )	
Retained earnings - beginning	( 1,500 )	-	
Accounts payable	-	( 524 )	Correct overstatement of accounts payable
Revenue over/under expenses	-	524	
Retained earnings - beginning	524	-	

**NOTE I: GASB STATEMENT NO. 34**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (Statement). Certain of the significant changes in the Statement include the following:

For the first time the financial statements will include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.
- A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the Southern Clinton County Municipal Utilities Authority no later than the fiscal year ending December 31, 2004; the retroactive reporting of infrastructures, if any, must be implemented no later than the year ending December 31, 2008.

## **SUPPLEMENTARY INFORMATION**

Southern Clinton County Municipal Utilities Authority

COMBINING STATEMENT OF REVENUES AND EXPENSES

Year Ended December 31, 2003

	Investment Earnings and Interest Clearing Fund	Sewer System	Industrial Pretreatment Program	Total
REVENUES				
Charges for services	\$ -	\$ 3,260,338	\$ 24,280	\$ 3,284,618
Interest and rents	82,872	-	-	82,872
Other	-	49,939	4,579	54,518
	<u>-</u>	<u>49,939</u>	<u>4,579</u>	<u>54,518</u>
TOTAL REVENUES	82,872	3,310,277	28,859	3,422,008
EXPENSES				
Salaries	-	676,679	6,185	682,864
Benefits	-	220,085	1,479	221,564
Motor vehicle and mileage	-	13,518	418	13,936
Utilities	-	236,436	-	236,436
Insurance	-	80,328	-	80,328
Repairs and maintenance	-	202,200	-	202,200
Education and training	-	10,663	1,995	12,658
Professional services	-	35,717	8,285	44,002
Supplies	-	61,557	535	62,092
Solids handling	-	63,160	-	63,160
Capital improvements	-	998,990	-	998,990
Miscellaneous	-	49,689	-	49,689
Equipment depreciation	-	228,214	495	228,709
	<u>-</u>	<u>228,214</u>	<u>495</u>	<u>228,709</u>
TOTAL EXPENSES	-0-	2,877,236	19,392	2,896,628
REVENUES OVER EXPENSES	<u>\$ 82,872</u>	<u>\$ 433,041</u>	<u>\$ 9,467</u>	<u>\$ 525,380</u>



Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL

Investment Earning and Interest Clearing

Year Ended December 31, 2003

With Actual Amounts for Year Ended December 31, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2002 Actual</u>
REVENUES				
Investment earnings and interest	\$ -	\$ 82,872	\$ 82,872	\$ 246,223
EXPENSES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
REVENUES OVER EXPENSES	<u>\$ -0-</u>	<u>\$ 82,872</u>	<u>\$ 82,872</u>	<u>\$ 246,223</u>

NOTE: Budget data is presented for informational purposes only.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL

Sewer System

Year Ended December 31, 2003

With Actual Amounts for Year Ended December 31, 2002

	Amended <u>Budget</u>	2003 <u>Actual</u>	Variance Favorable (Unfavorable)	2002 <u>Actual</u>
REVENUES				
Charges for services				
DeWitt Charter Township	\$ 1,641,325	\$ 1,841,640	\$ 200,315	\$ 1,364,501
Bath Charter Township	805,739	884,786	79,047	578,818
City of DeWitt	276,331	277,651	1,320	281,590
Watertown Charter Township	224,408	256,261	31,853	212,745
Other	17,958	49,939	31,981	17,200
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	2,965,761	3,310,277	344,516	2,454,854
EXPENSES				
Direct allocation (DA) -				
DeWitt Charter Township				
Salaries	98,076	85,974	12,102	82,744
Benefits	30,893	23,760	7,133	23,494
Motor vehicle and mileage	8,400	3,902	4,498	5,239
Professional services	1,500	635	865	1,284
Utilities	15,141	12,323	2,818	12,394
Repairs and maintenance	19,000	18,389	611	1,551
Collection system repairs	100,000	8,093	91,907	39,632
Capital improvements	398,325	376,926	21,399	(321)
Equipment depreciation	7,516	11,981	(4,465)	7,517
	<hr/>	<hr/>	<hr/>	<hr/>
Total DA - DeWitt Charter Township	678,851	541,983	136,868	173,534
Direct allocation (DA) -				
Bath Charter Township				
Salaries	88,472	56,618	31,854	53,939
Benefits	18,418	14,119	4,299	13,888
Motor vehicle and mileage	9,000	4,181	4,819	5,613
Professional services	5,000	100	4,900	103
Utilities	42,000	43,117	(1,117)	32,411
Repairs and maintenance	20,500	29,134	(8,634)	24,324
Collection system repairs	18,500	5,490	13,010	2,062
Capital improvements	328,324	295,279	33,045	2,858
Equipment depreciation	14,118	21,307	(7,189)	13,952
	<hr/>	<hr/>	<hr/>	<hr/>
Total DA - Bath Charter Township	544,332	469,345	74,987	149,150

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - CONTINUED

Sewer System

Year Ended December 31, 2003

With Actual Amounts for Year Ended December 31, 2002

	Amended <u>Budget</u>	2003 <u>Actual</u>	Variance Favorable (Unfavorable)	2002 <u>Actual</u>
EXPENSES - CONTINUED				
Direct allocation (DA) -				
City of DeWitt				
Salaries	\$ 28,529	\$ 18,793	\$ 9,736	\$ 13,255
Benefits	8,986	4,180	4,806	2,880
Motor vehicle and mileage	2,100	975	1,125	1,310
Professional services	1,000	-	1,000	-
Utilities	18,000	12,006	5,994	12,803
Repairs and maintenance	4,000	1,893	2,107	2,776
Collection system repairs	22,000	16,282	5,718	895
Equipment depreciation	953	2,802	(1,849)	1,976
Miscellaneous	-	42,641	(42,641)	-
Total DA - City of DeWitt	85,568	99,572	(14,004)	35,895
Direct allocation (DA) -				
Watertown Charter Township				
Salaries	25,942	20,098	5,844	19,665
Benefits	8,172	4,658	3,514	4,706
Motor vehicle and mileage	2,100	975	1,125	1,310
Professional services	500	-	500	2,309
Utilities	3,600	3,068	532	3,010
Repairs and maintenance	5,000	1,865	3,135	3,294
Collection system repairs	4,000	3,751	249	3,994
Capital improvements	-	-	-0-	254
Equipment depreciation	1,143	2,991	(1,848)	2,046
Total DA - Watertown Charter Township	50,457	37,406	13,051	40,588
Operation and maintenance				
Salaries	198,934	221,491	(22,557)	200,619
Benefits	27,841	31,808	(3,967)	16,050
Supplies	22,500	15,541	6,959	15,465
Motor vehicle and mileage	3,000	1,394	1,606	1,898
Insurance	80,328	80,328	-0-	52,953
Insurance - hospitalization	38,552	50,476	(11,924)	48,295
Insurance - workers' compensation	8,500	8,731	(231)	3,989
Insurance - dental	6,169	4,008	2,161	3,742
Insurance - long-term disability	6,500	5,346	1,154	4,858
Utilities	41,000	30,193	10,807	29,241
Repairs and maintenance	85,000	71,591	13,409	47,058

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - CONTINUED

Sewer System

Year Ended December 31, 2003

With Actual Amounts for Year Ended December 31, 2002

	Amended <u>Budget</u>	2003 <u>Actual</u>	Variance Favorable (Unfavorable)	2002 <u>Actual</u>
EXPENSES - CONTINUED				
Operation and maintenance - continued				
Miscellaneous	\$ 5,450	\$ 2,565	\$ 2,885	\$ 4,506
Equipment depreciation	69,402	94,445	(25,043)	81,691
Capital improvements	197,160	27,024	170,136	26,001
Contingency	1,000	-	1,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total operation and maintenance	791,336	644,941	146,395	536,366
Authority administration				
Commissioner salaries	13,000	11,510	1,490	11,810
Employee salaries	84,384	95,744	(11,360)	86,495
Benefits	27,574	21,399	6,175	19,724
Education and training	5,100	3,432	1,668	4,897
Supplies	3,000	2,219	781	1,944
Motor vehicle and mileage	1,500	697	803	935
Professional services	33,000	21,448	11,552	34,524
Legal ads	4,000	3,378	622	6,793
Miscellaneous	1,500	605	895	1,664
	<hr/>	<hr/>	<hr/>	<hr/>
Total administration	173,058	160,432	12,626	168,786
Processing				
Salaries	165,147	157,646	7,501	153,200
Benefits	52,020	48,821	3,199	43,263
Education and training	12,000	7,231	4,769	8,642
Office supplies	4,500	2,581	1,919	3,383
Process supplies	42,900	41,216	1,684	41,490
Motor vehicle and mileage	2,400	1,115	1,285	1,497
Professional services	24,000	12,284	11,716	21,858
Utilities	130,200	113,717	16,483	121,972
Repairs and maintenance	65,000	44,024	20,976	63,224
Solids handling	44,000	63,160	(19,160)	51,644
Miscellaneous	1,000	500	500	927
Capital improvements	196,750	-	196,750	29,990
Equipment depreciation	71,996	86,857	(14,861)	101,457
Contingency	1,000	-	1,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total processing	812,913	579,152	233,761	642,547

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - CONTINUED

Sewer System

Year Ended December 31, 2003

With Actual Amounts for Year Ended December 31, 2002

	Amended <u>Budget</u>	2003 <u>Actual</u>	Variance Favorable (Unfavorable)	2002 <u>Actual</u>
EXPENSES - CONTINUED				
Lift stations (LS) - DeWitt and Bath Charter Townships				
Salaries	\$ 20,507	\$ 8,805	\$ 11,702	\$ 3,939
Benefits	6,081	2,779	3,302	1,021
Motor vehicle and mileage	600	279	321	374
Professional services	-	1,250	(1,250)	3,687
Utilities	24,000	22,012	1,988	20,154
Repairs and maintenance	16,000	626	15,374	18,900
Capital improvements	290,850	299,761	(8,911)	-
Collection system repairs	12,500	1,062	11,438	-
Equipment depreciation	6,251	7,831	(1,580)	1,055
	<u>376,789</u>	<u>344,405</u>	<u>32,384</u>	<u>49,130</u>
Total processing LS - DeWitt and Bath Charter Townships				
	<u>376,789</u>	<u>344,405</u>	<u>32,384</u>	<u>49,130</u>
TOTAL EXPENSES	<u>3,513,304</u>	<u>2,877,236</u>	<u>636,068</u>	<u>1,795,996</u>
REVENUES OVER (UNDER) EXPENSES	<u>\$ (547,543)</u>	<u>\$ 433,041</u>	<u>\$ 980,584</u>	<u>\$ 658,858</u>

NOTE: Budget data is presented for informational purposes only.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL

Industrial Pretreatment Program

Year Ended December 31, 2003

With Actual Amounts for Year Ended December 31, 2002

	Amended <u>Budget</u>	2003 <u>Actual</u>	Variance Favorable (Unfavorable)	2002 <u>Actual</u>
REVENUES				
Charges for services	\$ 23,384	\$ 24,280	\$ 896	\$ 53,352
Miscellaneous	-	4,579	(4,579)	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 23,384	\$ 28,859	\$ (3,683)	\$ 53,352
EXPENSES				
Salaries	8,000	6,185	1,815	7,882
Benefits	2,539	1,479	1,060	1,998
Supplies	900	535	365	817
Professional services	2,500	7,115	(4,615)	11,006
Laboratory fees	5,200	1,170	4,030	2,932
Motor vehicle and mileage	900	418	482	561
Education and training	2,000	1,995	5	450
Legal ads	500	-	500	-
Utilities	350	-	350	58
Repairs and maintenance	-	-	-0-	110
Equipment depreciation	495	495	-0-	495
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	23,384	19,392	3,992	26,309
	<hr/>	<hr/>	<hr/>	<hr/>
REVENUES OVER EXPENSES	\$ -0-	\$ 9,467	\$ 309	\$ 27,043
	<hr/>	<hr/>	<hr/>	<hr/>

NOTE: Budget data is presented for informational purposes only.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL

Other

Year Ended December 31, 2003

With Actual Amounts for Year Ended December 31, 2002

	Amended <u>Budget</u>	2003 <u>Actual</u>	Variance Favorable (Unfavorable)	2002 <u>Actual</u>
REVENUES	\$ -	\$ -	\$ -0-	\$ -
EXPENSES				
Equipment disposals and transfers	-	-	-0-	1,325
REVENUES (UNDER) EXPENSES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (1,325)</u>

NOTE: Budget data is presented for informational purposes only.